

SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

## Filing at a Glance

Company: AXIS Insurance Company

Product Name: AXIS-OL-FLP-AR-0701-R

TOI: 17.1 Other Liability - Claims Made Only

Sub-TOI: 17.1022 Other

Filing Type: Rate

SERFF Tr Num: PERR-125265800 State: Arkansas

SERFF Status: Closed

Co Tr Num: AXIS-OL-FLP-AR-0701-R

Co Status:

Authors: Ines Piquet, Lance Julian,  
Laura Jennette, Olga E. Burciaga

Date Submitted: 08/31/2007

State Tr Num: AR-PC-07-025981

State Status:

Reviewer(s): Betty Montesi, Edith  
Roberts, Brittany Yielding

Disposition Date: 09/10/2007

Disposition Status: Filed

Effective Date (New):

Effective Date (Renewal):

Effective Date Requested (New): 10/01/2007

Effective Date Requested (Renewal): On Approval

## General Information

Project Name: AXIS-OL-FLP-AR-0701-R

Project Number: AXIS-OL-FLP-AR-0701-R

Reference Organization:

Reference Title:

Filing Status Changed: 09/10/2007

State Status Changed: 09/04/2007

Corresponding Filing Tracking Number: AXIS-OL-FLP-AR-0701-F

Filing Description:

On behalf of AXIS Insurance Company ("the Company"), we are submitting independent rates for the Fiduciary Liability Program. While this filing is the initial submission of this program for AXIS Insurance Company, the program has been previously filed by AXIS Reinsurance Company.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

The Fiduciary Liability Insurance Policy provides commercial liability coverage for directors, officers, trustees, employees and committee members as well as the insured organization, its subsidiaries and sponsored plans. The Fiduciary Liability Insurance Policy will be offered only to commercial insureds. Please see the enclosed Explanatory Memorandum for additional details.

<i>SERFF Tracking Number:</i>	<i>PERR-125265800</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>AXIS Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-025981</i>
<i>Company Tracking Number:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>Project Name/Number:</i>	<i>AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R</i>		

We respectfully request that this filing be implemented on October 1, 2007.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the rates and rules contained in this filing along with the filing memorandum. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company response will be submitted to your attention as soon as we receive it.

We trust you will find this submission acceptable and as such look forward to your approval.

Please do not hesitate to contact us with any questions or comments.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Laura Jennette, State Filings Analyst	doi@perrknight.com
881 Alma Real Drive Suite 205	(310) 230-9339 [Phone]
Pacific Palisades, CA 90272	() -[FAX]

### Filing Company Information

AXIS Insurance Company	CoCode: 37273	State of Domicile: Illinois
11680 Great Oaks Way	Group Code: 3416	Company Type:
Ste. 500		
Alpharetta, GA 30022	Group Name: AXIS Specialty	State ID Number:
	Limited	
(678) 746-9423 ext. [Phone]	FEIN Number: 39-1338397	
	-----	

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No

<i>SERFF Tracking Number:</i>	<i>PERR-125265800</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>AXIS Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-025981</i>
<i>Company Tracking Number:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>Project Name/Number:</i>	<i>AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R</i>		
<b>Fee Explanation:</b>	<b>AR filing fee is \$100 for rate/rule submissions.</b>		
<b>Per Company:</b>	<b>No</b>		

SERFF Tracking Number: PERR-125265800 State: Arkansas  
Filing Company: AXIS Insurance Company State Tracking Number: AR-PC-07-025981  
Company Tracking Number: AXIS-OL-FLP-AR-0701-R  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1022 Other  
Product Name: AXIS-OL-FLP-AR-0701-R  
Project Name/Number: AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AXIS Insurance Company	\$0.00	08/31/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
100966	\$100.00	08/20/2007

<i>SERFF Tracking Number:</i>	<i>PERR-125265800</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>AXIS Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-025981</i>
<i>Company Tracking Number:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>AXIS-OL-FLP-AR-0701-R</i>		
<i>Project Name/Number:</i>	<i>AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Filed	Edith Roberts	09/10/2007	09/10/2007

SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

## Disposition

Disposition Date: 09/10/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
AXIS Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Supporting Docuementation	Filed	Yes
Rate	Fiduciary Liability Insurance Rating Plan	Filed	Yes
Rate	Fiduciary Liability Insurance Policy	Filed	Yes
	Terrorism Charge		

SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Prior Approval
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	0.000%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	N/A, new program

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
AXIS Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%



SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Fiduciary Liability Insurance Rating Plan	Pages 1 to 6	New	AIC Fiduciary Range Plan FINAL.pdf
Filed	Fiduciary Liability Insurance Policy Terrorism Charge	Page 1	New	AIC Fiduciary Liability Multistate Terr.pdf

## AXIS INSURANCE COMPANY

### **FIDUCIARY LIABILITY INSURANCE RATING PLAN**

The annual premium (AP) is determined as follows:

$AP = BPM * PSM * PM * LM * RM$  where

BPM means the Base Premium as determined in Step 1

PSM means the Plan Sponsor Modifiers as determined in Step 2

PM means the Plan(s) Modifiers as determined in Step 3

LM means the Limit of Liability Modifier as determined in Step 4

RM means the Retention Modifier as determined in Step 5

#### **Unique or Unusual Risks**

If a risk presents unique or unusual hazards or exposures such that the application of normal rating procedures does not produce a reasonable or equitable premium, and where individual risk rating is permitted by applicable state law, the risk shall be priced applying individual risk criteria. All policies written in such situations must comply with any regulatory requirements and state specific filing procedures. When the company is not required to file an individual risk filing with the insurance department, the company will maintain complete files showing how it determined the rate for the individual risk and will make such files available to the insurance department upon request.

---

**Step 1: Base Premium**

Select the base premium from this chart on the basis of the total asset size of the plan and the type of entity insured.

<b>Total Plan Assets</b>	<b>Private and Not for Profit Companies and Public Companies with no company stock Class I</b>	<b>Public Company with company stock but no lock ups Class II</b>	<b>Public Company with company stock and lock ups Class III</b>
Less than \$150,000	\$ 500	\$ 2,000	\$ 2,300
\$150,000 - \$249,000	\$ 800	\$ 2,300	\$ 2,645
\$250,000 - \$499,999	\$ 1,050	\$ 2,900	\$ 3,335
\$500,000 - \$749,999	\$ 1,250	\$ 3,500	\$ 4,025
\$750,000 - \$999,999	\$ 1,400	\$ 3,900	\$ 4,485
1,000,000 - \$1,749,999	\$ 1,750	\$ 4,600	\$ 5,290
\$1,750,000 - \$2,499,999	\$ 2,000	\$ 5,250	\$ 6,038
\$2,500,000 - \$4,999,999	\$ 2,400	\$ 7,000	\$ 8,050
\$5,000,000 - \$9,999,999	\$ 3,000	\$ 8,000	\$ 9,200
\$10,000,000 - \$24,999,999	\$ 3,800	\$ 9,200	\$ 10,580
\$25,000,000 - \$49,999,999	\$ 4,600	\$ 11,000	\$ 12,650
\$50,000,000 - \$99,999,999	\$ 6,000	\$ 14,200	\$ 16,330
\$100,000,000 - \$249,999,999	\$ 7,000	\$ 18,500	\$ 21,275
\$250,000,000 - \$499,999,999	\$ 8,500	\$ 24,500	\$ 28,175
\$500,000,000 - \$999,999,999	\$ 11,000	\$ 37,500	\$ 43,125
\$1,000,000,000 - \$1,999,999,999	\$ 15,000	\$ 50,000	\$ 57,500
\$2,000,000,000 - \$2,999,999,999	\$ 20,000	\$ 60,000	\$ 69,000
\$3,000,000,000 - \$3,999,999,999	\$ 25,000	\$ 70,000	\$ 80,500
\$4,000,000,000 - \$4,999,999,999	\$ 30,000	\$ 80,000	\$ 92,000
\$5,000,000,000 - \$5,999,999,999	\$ 35,000	\$ 90,000	\$ 103,500
\$6,000,000,000 - \$7,499,999,999	\$ 40,000	\$ 105,000	\$ 120,750
\$7,500,000,000 - \$9,999,999,999	\$ 45,000	\$ 125,000	\$ 143,750
\$10,000,000,000 - \$24,999,999,999	\$ 85,000	\$ 180,000	\$ 207,000
\$25,000,000,000 - \$49,999,999,999	\$ 120,000	\$ 225,000	\$ 258,750
\$50,000,000,000 - \$99,999,999,999	\$ 170,000	\$ 250,000	\$ 287,500

**Step 2: Plan Sponsor Modifiers**

Apply all appropriate debits and credits based upon the characteristics present:

A.	Industry	
	Below Average	1.0-1.15
	Average	1.0
	Above average	0.85-1.0
B.	Financial Condition	
	Below Average	1.0-1.15
	Average	1.0
	Above Average	0.85-1.0

C.	Merger and Acquisition Activity	
	None in the prior two years and none anticipated in the next year	0.8-1.0
	Minimal merger and acquisition activity has occurred in last two years or anticipated in next year	1.0-1.1
	Significant merger and acquisition activity has occurred in last two years or anticipated in next year	1.1-1.25
D.	Layoffs, downsizing or spinoffs (based upon employee count)	
	None in the prior two years and none anticipated in the next year	0.8-1.0
	Minimal activity has occurred in last two years or anticipated in next year (0%-5%)	1.0-1.1
	Significant activity has occurred in last two years or anticipated in next year (>5%)	1.1-1.25
E.	Litigation History	
	General	
	Below Average	0.85-1.0
	Average	1.0
	Significant	1.0-1.25
	Fiduciary Claim History	
	None	0.9
	Average	1.0
	Significant	1.1-1.25

### Step 3: Plan(s) Modifiers

Apply all appropriate debits and credits based upon the characteristics present:

A.	Type of Plan	
	Welfare (only)	0.9
	Welfare and Defined Contribution	1.0
	Welfare, Defined Contribution and Defined Benefit	1.25
B.	Employee Stock Ownership Plan	
	No ESOP	1.0
	ESOP owns <50% of shares	1.00 – 1.25
	ESOP owns > 50% of shares	1.25 – 1.50
C.	Funding Level (Defined Benefits Plans)	
	Over-funded or under-funded by >40%	1.25 – 1.50
	Over-funded or under-funded by >20% but <40%	1.00 – 1.25
	Funding within 20% of necessary level	0.85 – 1.00

D.	Investments/Expenses	
	Quality of Plan Investments and distributions	
	Below Average	1.0-1.15
	Average	1.0
	Above Average	0.75-1.0
	Administrative Expenses	
	Expenses greater than 3%	1.05-1.1
	Expenses less than 3%	1.0
E.	Benefits	
	Plan benefits have been reduced in last two years or are anticipated in being reduced in next year	1.15-1.25
	Plan benefits have not been reduced in last two years and no plans to reduce in next year	1.0
F.	Outside Experts	
	Below average	1.05-1.25
	Average	1.0
	Above average	0.75-1.0
G.	Litigation	
	No litigation, administrative actions or investigations	0.7-1.0
	Litigation, administrative actions or investigations	1.1-1.25
H.	Conversion of Plans (i.e., Cash Balance)	
	Yes	1.25-1.50
	No	1.0
I.	Third Party Administrator Coverage	
	Yes	1.1-1.25
	No	1.0
J.	Punitive Damage Coverage	
	Yes	1.0-1.3
	No	1.0

**Step 4: Limit of Liability Modifiers**

<b>Limit of Liability</b>	<b>Factor</b>
500,000	0.725
1,000,000	1.000
2,000,000	1.500
3,000,000	1.800
4,000,000	2.075
5,000,000	2.275
7,500,000	2.750
10,000,000	3.125
15,000,000	3.750
20,000,000	4.275
25,000,000	4.775
30,000,000	5.182
35,000,000	5.590
40,000,000	5.997
45,000,000	6.405
50,000,000	6.812

## Step 5: Retention Modifiers

Assets Ret.	under 75M	75.1M up to 250M	250.1M up to 300M	300.1M up to 400M	400.1M up to 500M	500.1M up to 600M	600.1M up to 700M	700.1M up to 800M	800.1M up to 900M	900.1M up to 1B	1.001B up to 2B	2.001B up to 3B	3.001B up to 4B	4.001B up to 5B	5.001B up to 50B
-	1.360	1.478	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1K	1.336	1.452	1.452	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2.5K	1.300	1.413	1.413	1.413	1.529	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5K	1.250	1.359	1.359	1.359	1.471	1.471	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10K	1.170	1.272	1.272	1.272	1.376	1.376	1.376	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15K	1.100	1.196	1.196	1.196	1.196	1.196	1.196	1.196	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20K	1.050	1.141	1.141	1.141	1.235	1.235	1.235	1.235	1.235	N/A	N/A	N/A	N/A	N/A	N/A
25K	1.000	1.087	1.087	1.087	1.176	1.176	1.176	1.176	1.176	N/A	N/A	N/A	N/A	N/A	N/A
30K	0.980	1.065	1.065	1.065	1.153	1.153	1.153	1.153	1.153	1.256	N/A	N/A	N/A	N/A	N/A
35K	0.960	1.043	1.043	1.043	1.129	1.129	1.129	1.129	1.129	1.231	N/A	N/A	N/A	N/A	N/A
40K	0.940	1.022	1.022	1.022	1.106	1.106	1.106	1.106	1.106	1.205	N/A	N/A	N/A	N/A	N/A
50K	0.920	1.000	1.000	1.000	1.082	1.082	1.082	1.082	1.082	1.179	N/A	N/A	N/A	N/A	N/A
75K	0.880	0.957	0.957	0.957	1.035	1.035	1.035	1.035	1.035	1.128	1.178	1.178	1.178	1.222	N/A
100K	0.850	0.924	0.924	0.924	1.000	1.000	1.000	1.000	1.000	1.090	1.138	1.138	1.138	1.181	1.181
150K	0.820	0.891	0.891	0.891	0.965	0.965	0.965	0.965	0.965	1.051	1.098	1.098	1.098	1.139	1.139
200K	0.800	0.870	0.870	0.870	0.941	0.941	0.941	0.941	0.941	1.026	1.071	1.071	1.071	1.111	1.111
250K	0.780	0.848	0.848	0.848	0.918	0.918	0.918	0.918	0.918	1.000	1.044	1.044	1.044	1.083	1.083
300K	0.770	0.837	0.837	0.837	0.906	0.906	0.906	0.906	0.906	0.987	1.031	1.031	1.031	1.069	1.069
350K	0.760	0.826	0.826	0.826	0.894	0.894	0.894	0.894	0.894	0.974	1.017	1.017	1.017	1.056	1.056
400K	0.754	0.820	0.820	0.820	0.887	0.887	0.887	0.887	0.887	0.967	1.009	1.009	1.009	1.047	1.047
500K	0.747	0.812	0.812	0.812	0.879	0.879	0.879	0.879	0.879	0.958	1.000	1.000	1.000	1.038	1.038
1M	0.720	0.783	0.783	0.783	0.847	0.847	0.847	0.847	0.847	0.923	0.964	0.964	0.964	1.000	1.000
1.5M	0.690	0.750	0.750	0.750	0.812	0.812	0.812	0.812	0.812	0.885	0.924	0.924	0.924	0.958	0.958
2M	0.675	0.734	0.734	0.734	0.794	0.794	0.794	0.794	0.794	0.865	0.904	0.904	0.904	0.938	0.938
2.5M	0.650	0.707	0.707	0.707	0.765	0.765	0.765	0.765	0.765	0.833	0.870	0.870	0.870	0.903	0.903
5M	0.625	0.679	0.679	0.679	0.735	0.735	0.735	0.735	0.735	0.801	0.837	0.837	0.837	0.868	0.868
10M	0.575	0.625	0.625	0.625	0.676	0.676	0.676	0.676	0.676	0.737	0.770	0.770	0.770	0.799	0.799

All limit, retention, and attachment tables allow for linear interpolation if intermediate, higher, or lower values are needed.

**AXIS INSURANCE COMPANY**  
**FIDUCIARY LIABILITY INSURANCE POLICY**

**Terrorism Charge**

In addition to the premiums charged according to the rating plan, the following charge for terrorism coverage will apply if accepted by the insured (pursuant to the Federal Terrorism Risk Insurance Act).

1 percent (%) of Insured's Gross Written Premium



SERFF Tracking Number:	PERR-125265800	State:	Arkansas
Filing Company:	AXIS Insurance Company	State Tracking Number:	AR-PC-07-025981
Company Tracking Number:	AXIS-OL-FLP-AR-0701-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	AXIS-OL-FLP-AR-0701-R		
Project Name/Number:	AXIS-OL-FLP-AR-0701-R/AXIS-OL-FLP-AR-0701-R		

## Supporting Document Schedules

<b>Satisfied -Name:</b>	Supporting Docuementation	<b>Review Status:</b>	
		Filed	09/10/2007
<b>Comments:</b>			
<b>Attachments:</b>			
2007 NAIC PCTD -R.pdf			
2007 NAIC RRFS.pdf			
2007 FIS Fiduciary AIC Filing Expl Memo - Rates.pdf			
AIC Fiduciary Expense Worksheet.pdf			
AXIS Authorization Letter.pdf			

# Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">New Business</div> <div style="width: 40%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Renewal Business</div> <div style="width: 40%;"></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---


<b>3. Group Name</b>	<b>Group NAIC #</b>
AXIS Specialty Limited	3416

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
AXIS Insurance Company	IL	37273	39-1338397	

<b>5. Company Tracking Number</b>	<b>AXIS-OL-FLP-AR-0701-R</b>
-----------------------------------	------------------------------

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Laura Jennette 881 Alma Real Dr. Suite 205 Pacific Palisades, CA 907272	State Filing Analyst	888.201.5123 X 109	310.230.8529	doi@perrknight.comx

7. Signature of authorized filer	
8. Please print name of authorized filer	Laura Jennette

**Filing information** (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.0 Other Liability-Occ/Claims Made
10. Sub-Type of Insurance (Sub-TOI)	17.0022 Other
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Fiduciary Liability Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: October 1, 2007      Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	August 31, 2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document—

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>AXIS-OL-FLP-AR-0701-R</b>
------------	--	------------------------------

<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	--

On behalf of AXIS Insurance Company ("the Company"), we are submitting independent forms and rates for the Fiduciary Liability Program. While this filing is the initial submission of this program for AXIS Insurance Company, the program has been previously filed by AXIS Reinsurance Company.

The Fiduciary Liability Insurance Policy provides commercial liability coverage for directors, officers, trustees, employees and committee members as well as the insured organization, its subsidiaries and sponsored plans. The Fiduciary Liability Insurance Policy will be offered only to commercial insureds. Please see the enclosed Explanatory Memorandum for additional details.

We respectfully request that this filing be implemented on October 1, 2007.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
------------	---

**Check #:** 100966  
**Amount:** \$100.00

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>AXIS-OL-FLP-AR-0701-R</b>
-----------	--	------------------------------

<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>AXIS-OL-FLP-AR-0701-F</b>
-----------	---	------------------------------

☐ Rate Increase      ☐ Rate Decrease      ☒ Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	<b>Prior Approval</b>
-----------	--	-----------------------

<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
------------	---	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
AXIS Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
------------	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>			
--	--	--	--

		COMPANY USE	STATE USE
<b>5a.</b>	<b>Overall percentage rate indication (when applicable)</b>		
<b>5b.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5c.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5d.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		

<b>6.</b>	<b>Overall percentage of last rate revision</b>	N/A, new program
-----------	---	------------------

<b>7.</b>	<b>Effective Date of last rate revision</b>	N/A, new program
-----------	---	------------------

<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	N/A, new program
-----------	---	------------------

<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or Withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01	Fiduciary Liability Insurance Rating Plan Pages 1 to 6	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Fiduciary Liability Insurance Policy Terrorism Charge Page 1	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

# **AXIS INSURANCE COMPANY**

## **EXPLANATORY MEMORANDUM**

### **Fiduciary Liability Insurance Program RATES**

AXIS Insurance Company is submitting an independent rates filing for the Fiduciary Liability Insurance Program. While this filing is the initial submission of this program for AXIS Insurance Company, the program has been previously filed by AXIS Reinsurance Company.

The Fiduciary Liability Insurance Policy provides commercial liability coverage for directors, officers, trustees, employees and committee members as well as the insured organization, its subsidiaries and sponsored plans. The Fiduciary Liability Insurance Policy will be offered only to commercial insureds.

The Rating Plan for the program is similar, but not identical, to the AXIS Reinsurance Company filing. The changes include:

- Reduced base rates for most classes of business in recognition of leading competitors base rates;
- Amended base classes to appropriately account for higher exposure for risks that are publicly traded with their own company stock in the employee benefit plans;
- An increase in the amount of assets in the plan used to calculate base rates to \$100 Billion;
- Inclusion of retentions higher than \$1 million dollars;
- Inclusion of additional retention and limit choices.

As with the AXIS Reinsurance Company filing, the proposed rates for this program have been determined judgmentally based upon analysis of similar programs offered by competing insurers. Since there are no current policyholders for AXIS Insurance Company, there is no rate impact associated with this filing. The expected loss, expense, LAE, and ULAE ratios have been determined judgmentally. The rate of investment income and various expense components have been developed using industry data from A.M. Bests Aggregates and Averages, with a view to the limited amount of information publicly available regarding similar programs.

**AXIS Insurance Company**  
**AXIS Fiduciary Liability Insurance Program**

**(Assumes Expense Costs include all LAE)**

<u>Expense Component</u> (1)	<u>Industry</u> (2)	<u>Co. Selected</u> (3)
Commission	14.2%	10.0%
Taxes, Licenses, and Fees	1.8%	2.0%
Other Acquisition	4.1%	4.0%
General Expense	4.7%	5.0%
Underwriting Profit & Contingencies ( b )		5.0%
Total		26.0%
Expected Loss (a)		74.0%

(2) uses data from Best's Aggregates & Averages - Property Casualty 2005  
Part II of the IEE pages 355 and 356 (line 17 Other Liability)

(3) selected by AXIS (based on corporate projections)

(a) 1.00 - total of expenses

( b ) Exhibit A

**AXIS Insurance Company**  
**AXIS Fiduciary Liability Insurance Program**

Exhibit A

**Profit and Contingencies**

Year	Industry NPW	Industry YE Surplus	P/S	Industry ROE
2000	305,870	324,631	0.942	0.7%
2001	331,917	297,116	1.117	-7.8%
2002	380,683	291,950	1.304	-5.2%
2003	417,136	354,140	1.178	17.8%
2004	436,569	402,264	1.085	14.1%
	1,872,175	1,670,101	1.121	5.0%
X Hi Lo			1.127	3.2%
Company Planned			1.2	
Selected			1.2	9.0%
Target Return on Premium (a)				7.5%
Invest Income as % of Premium (b)				3.2%
Indicated Profit & Contingencies (post tax) ( c )				4.3%
Indicated Profit & Contingencies (pre tax) (d)				6.6%
Selected Profit & Contingencies				5.0%

Premium, Surplus and ROE data from Bests' Aggregates and Averages (2005) page 88

(a) (selected ROE)/(P/S)

(b) Exhibit B

( c ) (a) - (b)

(d) assumes a tax rate of 35%

**Rate of Return**

Unearned Premiums

UEP @12/31/04	18,961,050
2004 growth estimate	3.0%
UEP @ 12/31/03 estimate	18,408,786
Average UEP	18,684,918

Comments

Bests' 2005 A&A ASLOB 17 page 355  
selected  
= (a)

Prepaid Expense

Commission	14.2%
TLF	1.8%
50% Other Acq.	2.1%
50% GE	2.4%
Total	20.5%

Bests' 2005 A&A ASLOB 17 page 356  
Bests' 2005 A&A ASLOB 17 page 356  
Bests' 2005 A&A ASLOB 17 page 356  
Bests' 2005 A&A ASLOB 17 page 356  
= (b)

Deduction for Federal Taxes 7.0%

= ( c ) : 20% x 35%

UEP not Sub. to investment	5,131,415
UEP subject to investment	13,553,503

(a)x(b)+( c )) = (d)  
= (a) - (d)

Agents Balances

DEP	39,980,658
Agents Balances	6,686,369

Bests' 2005 A&A ASLOB 17 page 355  
Bests' 2005 A&A ASLOB 17 page 355

Loss Reserve

DEP	39,980,658
Incurred Loss	27,594,137
2004 P 2H Sect. 2 (Incurred)	10,154,734
2004 P 3H Sect. 2 (Paid)	509,117
Mean Loss Reserve %	95.0%
Mean Loss Reserves	26,210,679

Bests' 2005 A&A ASLOB 17 page 355  
Bests' 2005 A&A 2004 AY page 200 (e)  
Bests' 2005 A&A 2004 AY page 205 (f)  
1.00 -((f)/(e)) = (g)  
Incurred loss x (g) = (h)

Surplus

P/S	1.2
Invested Surplus	33,317,215

DEP/((P/S))

Invested Assets 66,395,029

UEPSI+AB+MLR+IS = (i)

ROR on Investment 3.0%

estimated given current short term interest rate environment (j)

Investment Earnings 1,991,851

(j) x (i) = (k) = IE

ROR on Premium 5.0%

IE/DEP = (l)

ROR after FIT 3.2%

(l) x 0.65 assumes 35% tax





August 10, 2007

Re: **AXIS Insurance Company**  
**NAIC Number 3416-37273, FEIN 39-1338397**

To Whom It May Concern:

Perr&Knight is hereby authorized to submit rate, rule, and form filings on behalf of **AXIS Insurance Company**. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight at the following address:

State Filings Department  
Perr&Knight  
881 Alma Real Drive, Suite 205  
Pacific Palisades, CA 90272  
Phone: (310) 230-9339  
Fax: (310) 230-8529

Please contact me if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dave Clark".

Dave Clark, CPCU, ARe  
Vice President  
Underwriting Compliance  
Telephone 678-746-9423  
Fax 678-746-9317  
Dave.clark@axiscapital.com